GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:2336
ANSWERED ON:17.03.2005
INDUSTRIES ENGAGED IN DEFENCE PRODUCTION
Murmu Shri Hemlal

Will the Minister of DEFENCE be pleased to state:

(a) whether a number of small and large scale industries are presently engaged in the production of defence related items; and

(b) if so, the concrete steps taken by the Government to promote Indian industries in Defence sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI BIJOY KRISHNA HANDIQUE)

(a) Yes, Sir.

(b) To promote Indian Private Industries in the Defence Sector, in May 2001, Defence Industry Sector which was hitherto reserved for the Public Sector, was opened for Private Sector Participation upto 100% with FDI permissible upto 26% both subject to licensing. Government has also set up a Committee under the Chairmanship of Dr. Vijay L Kelkar, Former Adviser to the Finance Minister to modify the current acquisition process on an approach based on "products strategy" and recommend modalities for integration of users, Ministry of Defence and the Indian industry both Public and Private Sector.